The Real Estate ANALYST

WHY REAL ESTATE IS A BETTER BUY ON TODAY'S MARKET THAN GOOD COMMON STOCKS

THERE are no safe permanent investments. The wise investor shifts his funds from one investment to another, striving each time to buy those things which, because of basic trends or special conditions, are probably undervalued and to sell those which have risen in public esteem until the selling price is probably greater than the investment value.

Real estate, because of the distress period from which it is now emerging, is badly undervalued in the minds of the buying public. During the past few months, however, it has been gaining in popularity with far-seeing investors. In view of the inevitable inflationary trends for the next few years many serious-minded investors are contrasting its advantages and disadvantages with good common stocks. Either real estate, good common stocks, or commodities furnish the best hedge against inflation.

It seems to us that there are three things which must be considered in selecting the best "inflation" investment; these are:

1. The probable percentage of increase in value in any given time.

2. The net cost or profit from carrying during the appreciation period.

3. The safe margin requirements.

Had investments been made in industrial stocks in 1919, by 1925 a $28\frac{1}{2}\%$ increase would have been shown. Utilities showed a 61% increase during the same period; and rails, a 20% increase. Real estate showed better than a 100% increase during the same period. It is true that the major rise in the stock market came after 1925, when real estate had already shown its major appreciation, but we are inclined to believe that this experience will be repeated in the period ahead. It is our belief that during the next five years real estate will appreciate in value by a larger percentage than will conservative stocks.

The net cost or profit from carrying during the appreciation period is of considerable importance in choosing the best investment. In commodities the warehousing cost and loss of interest on the invested capital is sometimes quite an item. Stocks can be bought on today's market to show a return of from 3% to 6%. Real estate can be bought to show a net of from 3% to 10%.

The big factor, however, in giving real estate a preferred position in relation to stocks is the relatively small percentage of the purchase price which can safely be paid in cash. It is unwise to buy stocks on narrow margins. A sudden temporary drop in a rising market may wipe out the margin account. Some of the leading investment counselors for this reason advise against any but outright purchases. The Board of Governors of the Federal Reserve System requires a 55% minimum equity on stock purchases. Suppose $2000 were available for investment. On a 55% basis it would buy $3636 worth of stock. Were the stock to increase in value 50%, it would be worth $5454. Were it sold at this price and the loan of $1636 against it paid off,$3818 would remain; or a profit of $1818 on an investment of $2000, or a capital appreciation of 91%.

Now let us consider the case for real estate. In today's market it is very easily possible to buy real estate with a 20% equity with safety, as there are no rapid fluctuations of price which could wipe out the equity as it might be wiped out in the stock market. The Federal Housing Administration have given their official approval to 20% equities with 80% loans for improved real estate. Invested on this basis in real estate, $2000 would buy a $10,000 property. (Many pieces of property can be purchased today on this basis which will carry themselves from the standpoint of interest, taxes, and operating expenses. It is true that in many cases amortization payments will be required on a monthly basis which cannot be entirely met from income, increasing slightly the percentage of equity in the property.)

If this property increases in value by 50%, it would be worth $15,000. Were the equity in it to be sold, it would bring $7000 less sales commission, or a capital appreciation of from 225% to 250%.
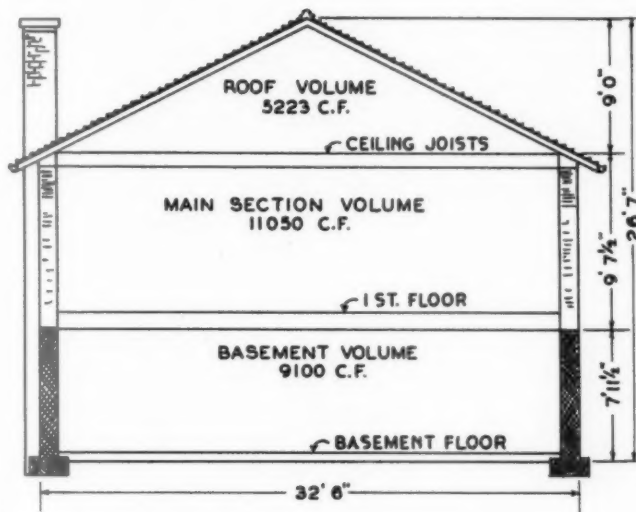
Were stocks and real estate both to double in value--they did better than this in the last boom--the stock investment would show a capital appreciation of about 260%; and real estate, an appreciation of between 500% and 600%.

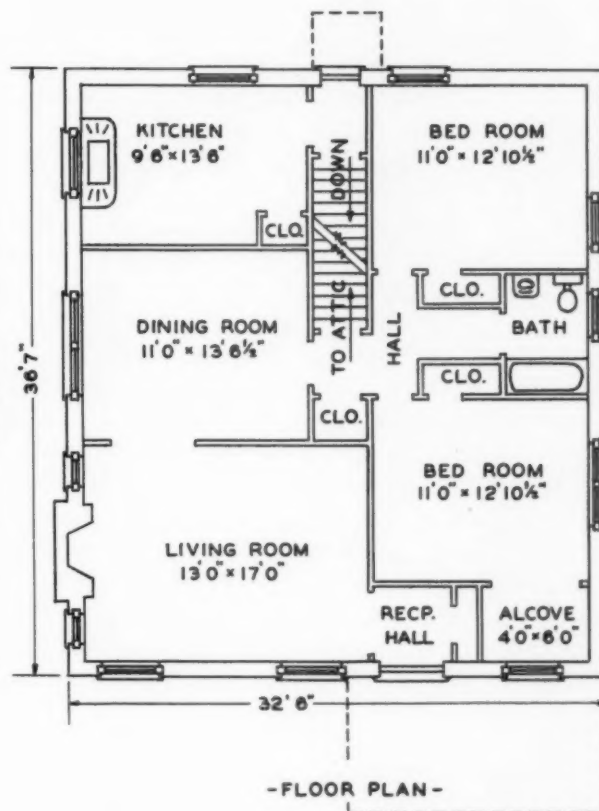# REFINEMENT IN REPLACEMENT COST APPRAISING

REPRODUCTION cost new is one of the basic measures in the determination of the worth and value of real properties. When future net income is the final measure, the worth and value thus determined must be justified with reproduction cost new. Reproduction cost new is, therefore, an essential factor in the appraisal of real properties, and its sound application has general acceptance. Economically, reproduction cost new is an important factor in the long-time swing of values, and its relation to market value is the determining influence in the incentive to build.

The most accurate method of determining reproduction cost new is by a detailed estimate of quantities of materials and hours of labor made by an estimator with construction and contracting experience and with exact records of current prices of labor and materials. This method requires exact details of the building; and if plans are not available,which is usually the case, measurements must be made in detail. The process is tedious and costly but should give quite accurate results with only slight error.

SECTION

ROOF VOLUME
5223 C.F.

CEILING JOISTS

MAIN SECTION VOLUME
11050 C.F.

1 ST. FLOOR

BASEMENT VOLUME
9100 C.F.

BASEMENT FLOOR

32' 6"

9'0"
26'7"
9'7½"
7'11½"

- SECTION -

FLOOR PLAN

KITCHEN
9'6"×13'6"

BED ROOM
11'0" × 12'10½"

DINING ROOM
11'0" × 13'6½"

CLO.

TO ATTIC

HALL

CLO.

BATH

CLO.

CLO.

BED ROOM
11'0" × 12'10¼"

LIVING ROOM
13'0"×17'0"

RECP. HALL

ALCOVE
4'0"×6'0"

36'7"

32' 6"

-FLOOR PLAN-

SPECIFICATIONS
BUNGALOW – 5 ROOMS – 1 BATH

BASEMENT FLOOR	CEMENT
FOUNDATIONS	12" REINFORCED CONCRETE
EXTERIOR WALLS	FACE BRICK CLAY TILE 13"
EXTERIOR OPENINGS	WHITE PINE
ROOF COVERING	BLACK SLATE
METAL WORK	COPPER
INTERIOR PARTITIONS	STUDDING – PLASTER 3 CT.
INTERIOR TRIM	YELLOW PINE
DOORS	1-3/8" GUM
FIREPLACE	ORDINARY
FLOORS	HARDWOOD 7/8"
BATH FLOORS	CERAMIC TILE
BATH WALLS	TILE
KITCHEN WALLS	TILE
CEILINGS	PLASTER
TYPE HEATING	WARM AIR BLOWER
WATER HEATER	GAS
AIR CONDITIONING	FILTERED
INSULATION	4" ROCKWOOL
VENTILATION, FANS	1 – KITCHEN

UNIT CONSTRUCTION COSTS
(INCLUDES CONTRACTORS PROFIT, BUT NOT ARCHITECTS
FEES, INTEREST AND INSURANCE DURING CONSTRUCTION,
LOAN OR SALE COMMISSIONS.)

I. BASEMENT VOLUME

		CTS. PER CU. FT.
1. EXCAVATION		.9
2. FOUNDATIONS	1200 ◢ @ 40◢	5.3
3. BASEMENT FLOOR	1012 ◢ @ 16◢	1.8
4. OTHER		1.4
TOTAL BASEMENT VOLUME		
9,100 CU. FT.	@	9.4

II. MAIN SECTION VOLUME

1. EXTERIOR WALLS	1260 ◢ @ 81◢	9.2
2. INTERIOR WORK		9.4
3. TILE WORK BATH AND KITCHEN		2.1
4. INSULATION	1150 ◢ @ 6◢	.6
5. ELECTRICAL SYSTEM		1.5
6. PLUMBING		4.5
7. HEATING SYSTEM		3.0
FILTERED WARM AIR BLOWER		
8. PAINTING AND DECORATING		1.5
9. MISCELLANEOUS		.8
TOTAL MAIN SECTION VOLUME		
11,050 CU. FT.	@	32.6

III. ROOF VOLUME

1. ROOF FRAMING	14.90 ◢@ 14.00	4.0
2. ROOF COVERING	14.90 ◢@ 23.00	6.5
3. METAL WORK		.9
TOTAL ROOF VOLUME		
5223 CU. FT.	@	11.4

TOTAL BUILDING VOLUME

25,373 CU. FT.	@	19.8

◢ = SQUARE FEET

The most inaccurate method of estimating reproduction cost new is by a square foot cost of building area. The use of only two measurements of a building to determine quantity is unsound practice. Variations in area above the ground line cannot be compensated for with a reasonable degree of accuracy. Usually this method is used for rough approximations only, as errors up to 20% are not infrequent.

The method in most common use is the cubic content cost basis. Cubic content (see page 86, November, 1932, issue) takes into account building height and sectional variations above the ground sections, providing a more accurate determination of quantity and,therefore, permitting a greater accuracy in the comparisons of unit cubic costs among similar type buildings. However, the great variation in the unit costs of different volumes in a particular property and the variation of these volumes among similar type properties result in inaccuracies running as high as 15% in some cases.

In order to reduce the causes of errors by simplifying comparisons, the following refinement in the cubic cost method is suggested. The total volume is separated into three volumes: (1) Basement volume,(2) Main section volume, and (3) Roof volume. Unit costs for each of these volumes are determined separately and then applied to the total building volume.

On page 535 this method is applied to a five-room brick bungalow which was actually built in St. Louis in the latter part of 1935. Brief specifications for the property are given. Accurate detail costs were kept and allocated to each volume (see sketch, floor plan,and brief specifications).

For this property the actual unit cost per cubic foot for each of these volumes follows:

Basement volume	9,100 cu. ft.	9.4¢ per cu. ft.	
Main section volume	11,050 " "	32.6¢ " " "	
Roof volume	5,223 " "	11.5¢ " " "	
Building volume	25,373 " "	19.8¢ " " "	

The differences in the unit costs of these three volumes are very great. Such a wide variation in unit costs indicates the possibility of changes in building unit costs if the proportion of these volumes changed even with a comparable property of like specifications and quality.

When cost data are recorded on the basis of these separate volumes instead of on a total building volume, direct comparisons can be made easier and more accurately for changes in size and quality. For example, in comparing basement cubic costs between two properties, differences are figured on the basis of basement volumes only, as it is readily seen that any differences in the main section and roof volumes are not concerned in basement cost comparisons.

The degree of accuracy of any estimate of unit costs depends upon the extent to which detailed items are included. It will be noted

that under each volume different controlling costs are included, each figured on the controlling quantity. For example, foundations in basement volume and outer walls in main section volume are figured on a unit square foot cost; basement floor, hardwood floors, and roof covering are figured on a unit square foot cost for the actual areas of such items. It will be found that the costs of heating, plumbing, electrical work, etc., given under the main section volume will show less variation among comparable buildings and can be compared directly with similar costs when figured on a like sectional volume.

This method does not introduce anything new in the estimate of unit cubic foot costs; it is merely a method of refinement in keeping costs so that more accurate comparisons can be made among comparable volumes. It is a logical refinement for the purpose of reducing errors to a minimum. Properly applied, it is believed that errors can be reduced to a maximum of 5%.

RENT CONTROL AGAIN

A number of times the Real Estate Analyst has pointed out that rapidly rising rents would probably result in efforts at rent control during the coming boom. A second effort has just been made in Washington, D. C., to set up a Rent Commission for the District (H. R. 11563). The bill of about two years ago was defeated as we are sure this will be.

Washington, D. C., at the present time has less than one-half of one per cent residential vacancy. This has resulted in rapidly rising rents. What the rent control advocates do not realize is that the best remedy for high rents is high rents. High rents indicate a shortage of acceptable space. Only when rents are high in relation to construction costs is there a strong incentive to build. High rents result in building; building results in lower rents. Rents cannot be limited and enough new building result to relieve the shortage.

NATIONAL CYCLES OF REAL ESTATE ACTIVITY

THE chart shown in the center spread of this report is the first chart ever drawn showing in even a preliminary fashion national cycles of real estate activity. It is based on the composite figures for real estate transfers in relation to the number of families of cities scattered from the Atlantic to the Pacific. It is preliminary because it is our intention to add many additional cities as they can be worked out. The addition of these other cities will necessarily cause slight changes in the areas.

There are four significant characteristics of the real estate cycle shown on this spread. All of these should affect the general policies of owners, operators, and mortgage lenders. These characteristics are:

REAL ESTATE ACTIVITY

PERCENTAGE ABOVE NORMAL — 70 60 50 40 30 20 10 NORMAL

RESUMPTION ACT

UNITED STATES RETURNING TO GOLD AFTER GREENBACK INFLATION

REAL ESTATE DEPRESSION OF THE SEVENTIES

REAL ESTATE BOOM OF THE LATE EIGHTIES

PANIC OF

PRELIMI

PERCENTAGE BELOW NORMAL — 10 20 30 40 50 60 70 80

1875 1876 1877 1878 1879 1880 1881 1882 1883 1884 1885 1886 1887 1888 1889 1890 1891 1892 1893 1894

BUSINESS ACTIVITY IN THE UNITED STATES

FROM INDEX NUMBERS COMPILED BY COL. LEONARD P. AYRES OF THE CLEVELAND TRUST CO

GOLD RESUMPTION PROSPERITY

RAILROAD PROSPERITY

SECONDARY POST-WAR DEPRESSION

BARING CRISIS

DEPRESSION OF 1884

PANIC OF 1893

PERCENTAGE ABOVE NORMAL +40 +30 +20 +10 NORMAL

PERCENTAGE BELOW NORMAL -10 -20 -30 -40 -50

(continued from page 537)

1. The real estate activity cycle is much more extreme than the
   cycle in general business.   It will be   noticed that   real
   estate activity regularly swings from one wild extreme to
   the other, while general business as a rule shows a relative-
   ly slight swing.   Both the general business chart and the
   real estate activity chart are drawn to exactly the same
   scale.

2. The real estate cycle is much more regular in its swings than
   is the general business cycle.There has been a rhythmic swing
   quite different from the altogether irrational movements of
   general business.

538

PANIC OF 3

PANIC OF 1907-08

ARMISTICE

DEPRESSION OF 1920-21

REAL ESTATE BOOM
OF THE EARLY
NINETEEN-HUNDREDS

REAL ESTATE DEPRESSION
OF THE NINETIES

REAL ESTATE DEPRESSION
OF THE WORLD WAR

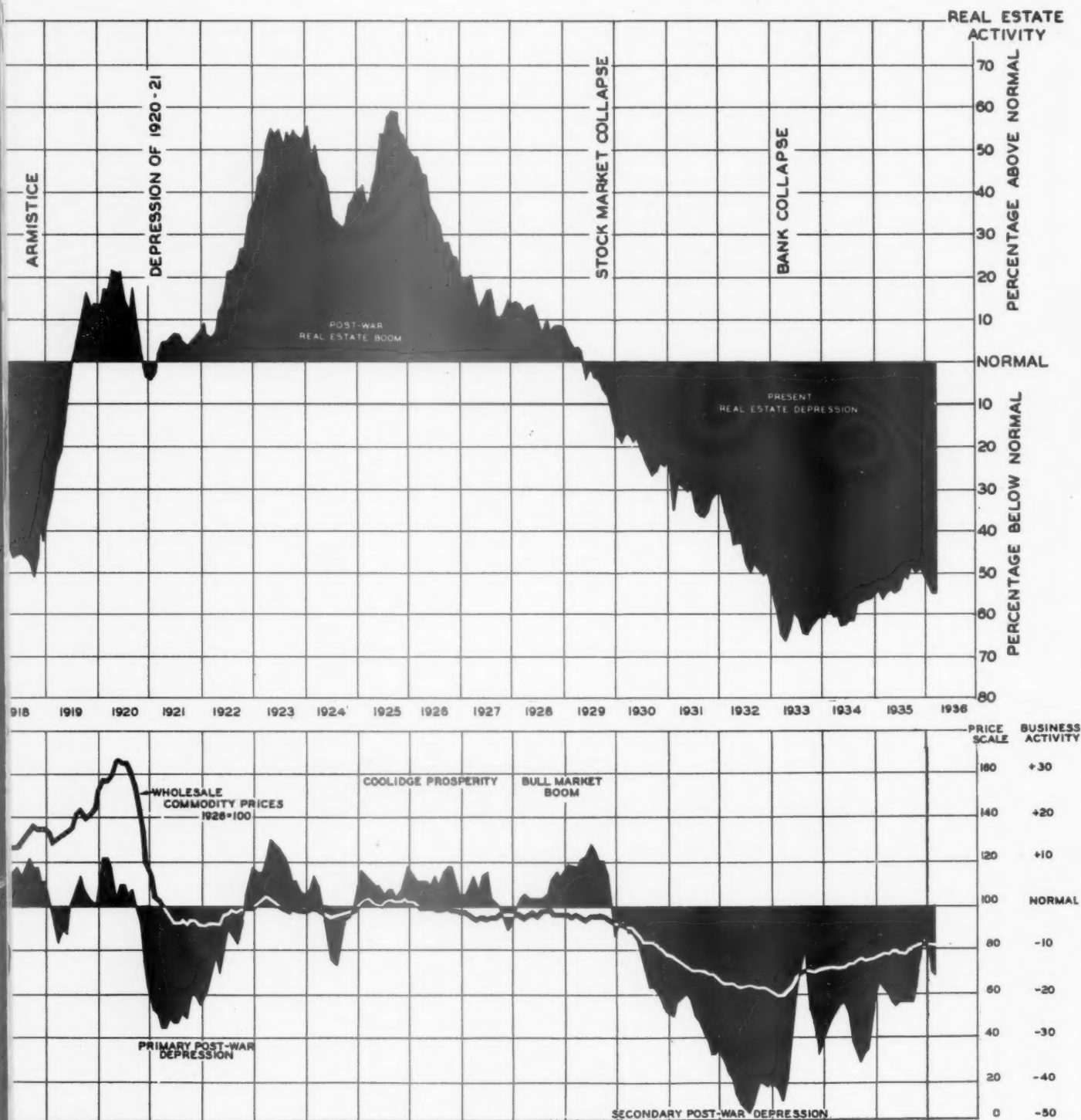| 1893 | 1894 | 1895 | 1896 | 1897 | 1898 | 1899 | 1900 | 1901 | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 | 1909 | 1910 | 1911 | 1912 | 1913 | 1914 | 1915 | 1916 | 1917 | 1918 | 1919 | 1920 |

RECOVERY
OF
1895

MERGER PROSPERITY

CORPORATE PROSPERITY

WAR PROSPERITY

WHOLESALE COMMODITY PRICES
1926=100

PANIC OF 1893

SILVER CAMPAIGN
DEPRESSION

RICH MAN'S
PANIC

PANIC OF 1907

WAR
DEPRESSION

PRIM
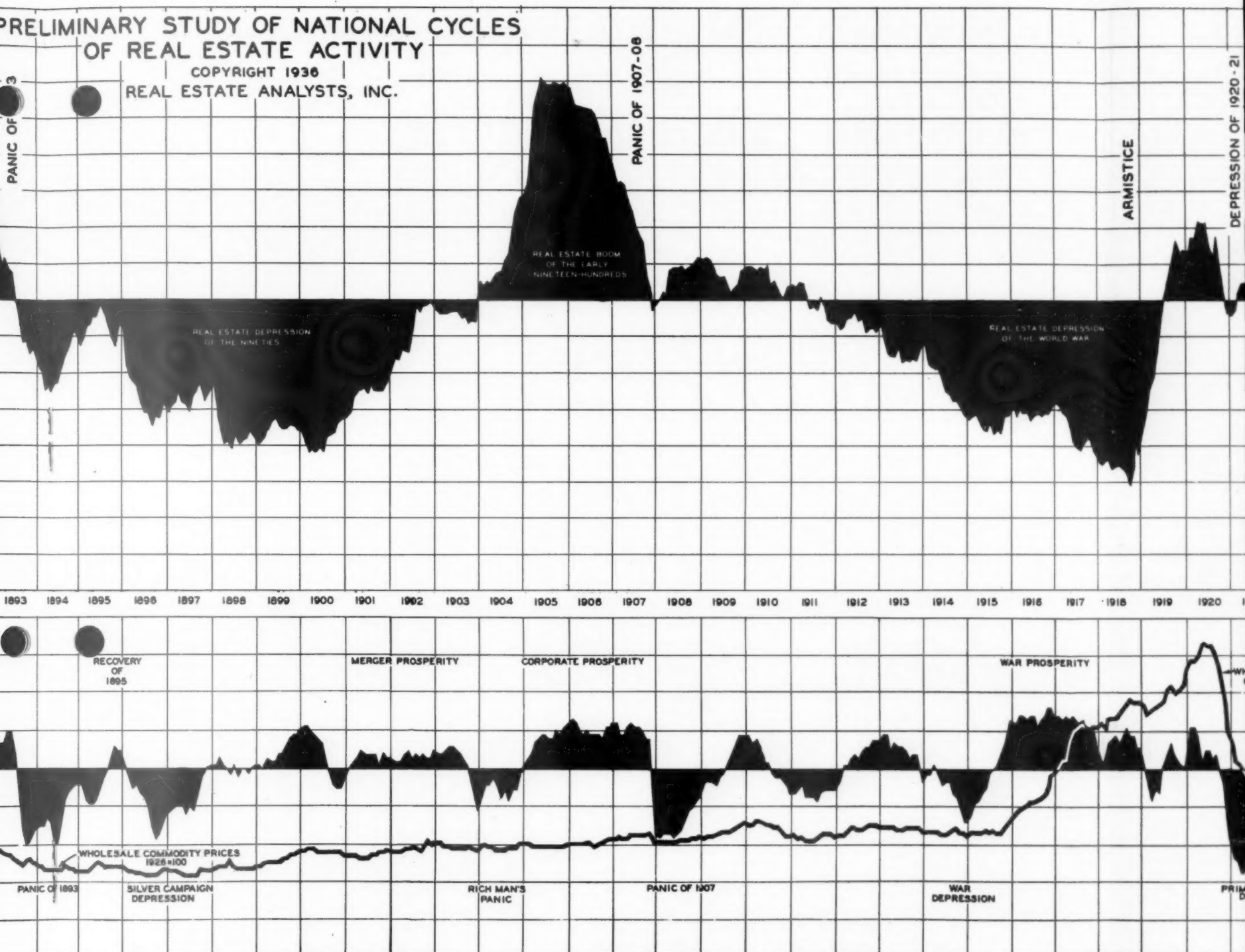
3. The real estate cycle is much longer than the general busi-
ness cycle. If it is possible to average anything as irregu-
lar as the business cycle has been, it will be found that the
average length of a complete cycle, viz., the boom and the
depression that follows, has been about five and a half years.
On the other hand, the complete real estate cycle has lasted
for from fifteen to twenty years.

4. There seems to have been a tendency for real estate activity
to increase very rapidly at the beginning of each boom and to
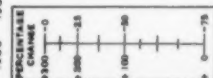subside more or less gradually over a long period of years.

The chart shown here is slightly more regular than any of those

REAL ESTATE ACTIVITY

ARMISTICE DEPRESSION OF 1920-21 STOCK MARKET COLLAPSE BANK COLLAPSE

POST-WAR REAL ESTATE BOOM

PERCENTAGE ABOVE NORMAL — 70 60 50 40 30 20 10 NORMAL

PRESENT REAL ESTATE DEPRESSION

PERCENTAGE BELOW NORMAL — 10 20 30 40 50 60 70 80

1918 1919 1920 1921 1922 1923 1924 1925 1926 1927 1928 1929 1930 1931 1932 1933 1934 1935 1936

PRICE SCALE BUSINESS ACTIVITY

WHOLESALE COMMODITY PRICES 1926=100   COOLIDGE PROSPERITY   BULL MARKET BOOM

180 +30
140 +20
120 +10
100 NORMAL
80 -10
60 -20
40 -30
20 -40
0 -50

PRIMARY POST-WAR DEPRESSION

SECONDARY POST-WAR DEPRESSION

given in the past for individual cities. It throws into strong relief the basic swings which are responsible for the buying and selling periods for real estate, which were stressed in the Real Estate Analyst for November, 1935, (see page 474). A new "Buy and Sell" chart is now being made on the basis of these national averages.

There can be no question of the fact that we are now in the upward swing of the major cycle. How rapidly that swing continues will depend to a large extent on the rapidity of national recovery. While there might be some question of the exact timing, there can be no doubt of the trend and its eventual effect on rents and values.

REAL ESTATE TRANSFERS IN PRINCIPAL CITIES 1930-1936

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THE percentage of increase or decrease in the number of voluntary transfers of real estate in any city can be approximated by using the thermometer scale to the left. Measure all increases from the bottom "0" on the left hand side of the scale;and all decreases,from the top "0" on the right hand side. This chart shows the last three years' experience in selected principal cities more or less typical of their areas.

It will be noticed that, with very few exceptions, real estate activity in most cities is now considerably above the depression low.

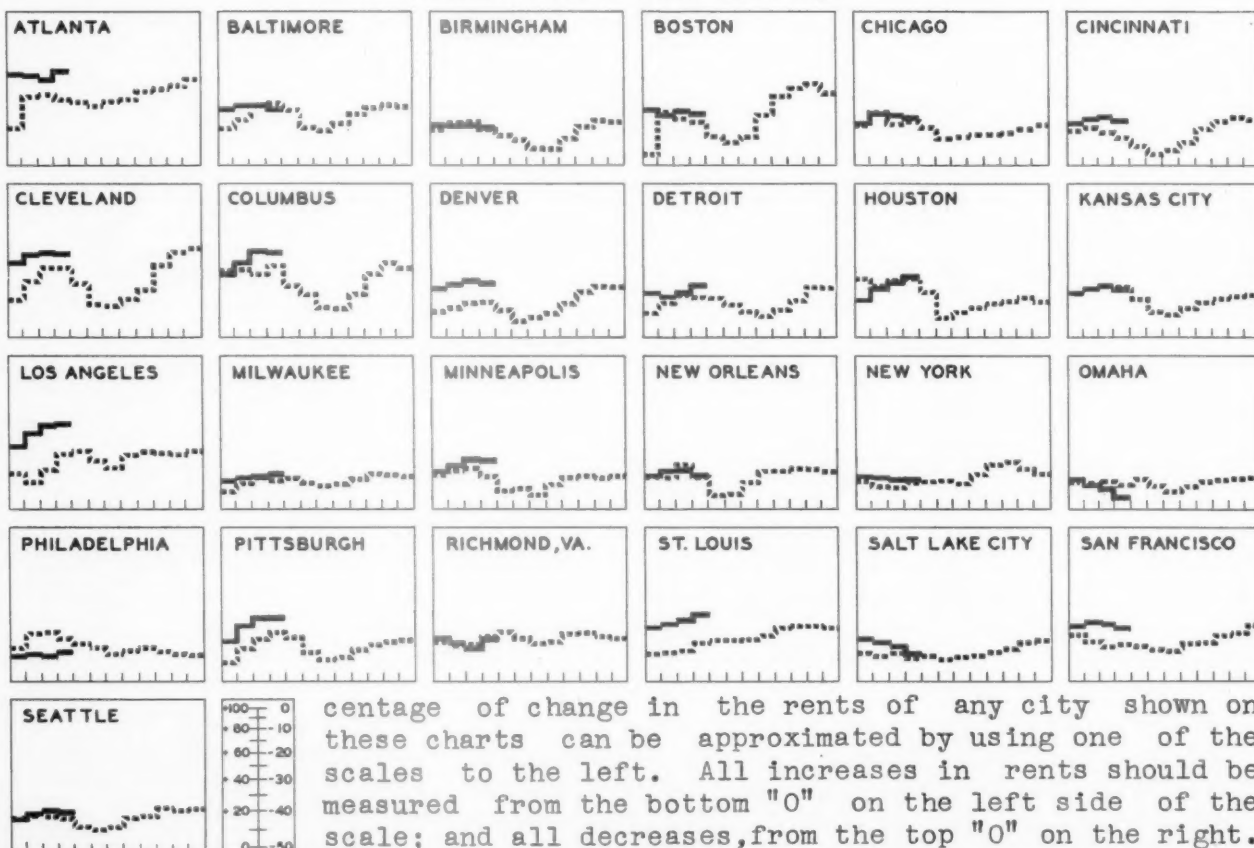# AVERAGE ADVERTISED SINGLE FAMILY DWELLING RENTS 1935-1936
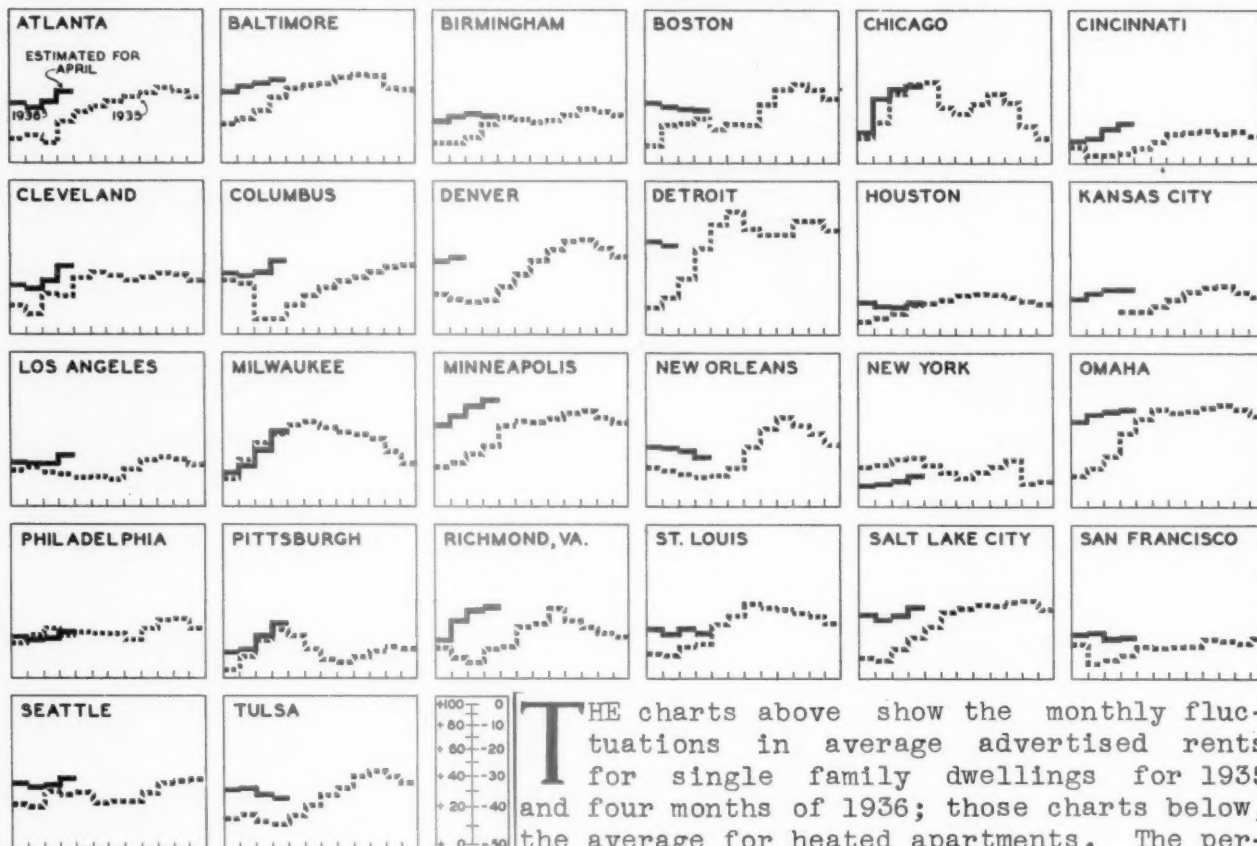
THE charts above show the monthly fluctuations in average advertised rents for single family dwellings for 1935 and four months of 1936; those charts below, the average for heated apartments. The per-

AVERAGE ADVERTISED APARTMENT RENTS 1935-36

centage of change in the rents of any city shown on these charts can be approximated by using one of the scales to the left. All increases in rents should be measured from the bottom "0" on the left side of the scale; and all decreases, from the top "0" on the right.

ADVERTISED RENTALS ON DWELLING UNITS

THE Real Estate Analyst computes the average advertised rents of residential units of various types each month in the twenty-six metropolitan cities listed below. The figures given are average rents per month per room for all units of each type, large and small, advertised in the classified columns of the leading newspapers of each city.
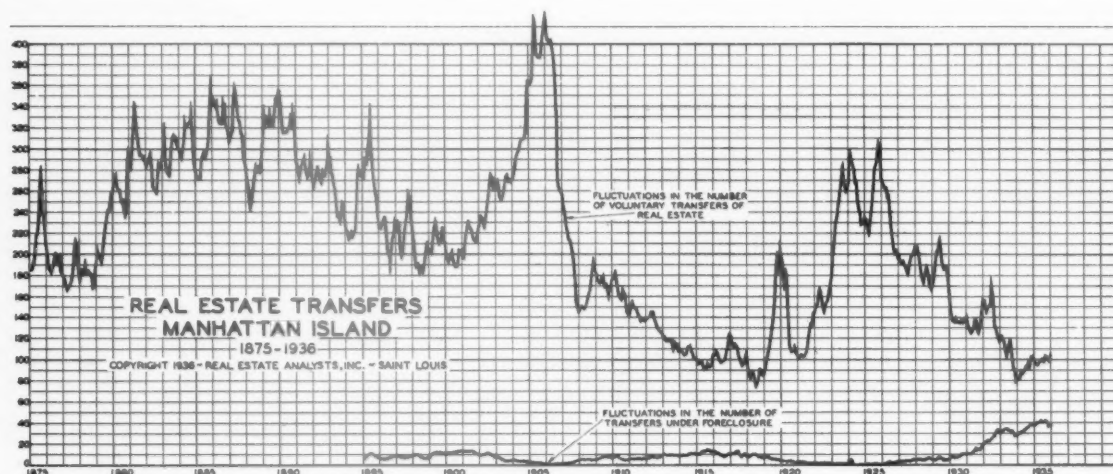
The average of all places advertised for rent will vary considerably from month to month due to the inclusion some months of a larger number of either high or low priced units. That the trend is definitely up in most cities is indicated by the figures below and the charts opposite.

The April figures are preliminary, based on the advertisements appearing during the first two weeks of the month. In a majority of the cities these preliminary figures are above the final figures for April, 1935.

SINGLE FAMILY DWELLINGS

	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	*Apr.
	1935									1936			
Atlanta	$6.14	$6.47	$6.62	$6.78	$6.93	$7.09	$7.25	$7.12	$6.93	$6.68	$6.59	$6.71	$7.01
Baltimore	5.51	5.77	5.86	5.88	6.10	6.16	6.15	5.79	5.75	5.69	5.82	5.95	6.06
Birmingham	4.85	5.01	4.96	4.90	4.94	5.06	5.22	5.15	5.08	4.96	5.03	5.06	5.02
Boston	6.85	6.51	6.69	6.68	7.34	7.91	8.11	7.89	7.55	7.47	7.27	7.17	7.16
Chicago	10.34	10.46	9.21	8.94	9.39	9.84	9.45	8.42	7.98	8.63	9.66	10.32	10.53
Cincinnati	7.35	7.60	7.83	8.14	8.20	8.22	8.16	8.23	8.02	7.92	7.96	8.35	8.51
Cleveland	7.29	7.95	8.18	8.02	7.88	7.94	8.11	8.08	7.84	7.59	7.56	7.88	8.40
Columbus	4.35	4.65	4.88	5.07	5.21	5.31	5.45	5.59	5.61	5.42	5.36	5.44	5.73
Denver	4.75	5.08	5.39	5.75	6.07	6.31	6.35	6.11	5.89	5.77	5.84	5.82	5.89
Detroit	7.67	8.59	9.13	8.40	8.18	8.18	8.75	8.75	8.33	7.93	7.74	8.12	8.65
Houston	6.96	7.02	7.18	7.32	7.39	7.38	7.24	7.10	7.01	7.00	6.92	6.84	6.96
Kansas City	4.51	4.51	4.64	4.79	4.98	5.08	5.10	4.96	4.85	4.84	4.92	5.00	5.00
Los Angeles	8.29	8.12	8.13	8.02	8.48	8.85	8.97	8.87	8.64	8.68	8.72	8.74	9.11
Milwaukee	8.58	8.91	9.08	8.81	8.61	8.52	8.36	7.87	7.41	7.17	7.35	7.90	8.61
Minneapolis	5.39	5.94	6.08	6.06	6.15	6.31	6.36	6.18	6.02	6.04	6.22	6.49	6.68
New Orleans	4.65	4.69	4.85	5.39	5.88	6.20	5.98	5.71	5.43	5.41	5.36	5.28	5.12
New York	12.75	12.35	11.98	11.59	11.96	12.23	12.57	11.82	11.36	10.93	11.11	11.40	11.93
Omaha	5.73	6.15	6.43	6.35	6.37	6.50	6.59	6.45	6.22	6.14	6.27	6.34	6.40
Philadelphia	5.58	5.67	5.63	5.63	5.48	5.77	6.01	6.02	5.78	5.46	5.46	5.52	5.70
Pittsburgh	7.67	7.43	6.99	6.62	6.52	6.70	6.89	7.03	6.98	6.81	6.98	7.41	7.87
Richmond	5.80	5.86	6.45	6.66	7.03	6.66	6.44	6.24	6.16	6.17	6.65	6.98	7.09
Saint Louis	5.97	6.55	6.82	7.24	7.11	7.05	6.91	6.81	6.59	6.45	6.27	6.43	6.26
Salt Lake City	4.90	5.18	5.56	5.66	5.76	5.74	5.82	5.83	5.63	5.49	5.33	5.49	5.59
San Francisco	6.78	7.07	7.03	7.06	7.07	7.31	7.28	7.19	7.35	7.55	7.54	7.36	7.38
Seattle	5.28	5.30	5.05	5.07	5.07	5.31	5.56	5.62	5.65	5.55	5.45	5.51	5.67
Tulsa	5.68	5.92	6.21	6.53	6.76	7.17	7.33	7.16	6.92	6.77	6.74	6.56	6.45

HEATED APARTMENT UNITS

	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	*Apr.
Atlanta	9.65	9.52	9.38	9.58	9.68	10.01	10.19	10.33	10.67	10.89	10.91	10.42	11.20
Baltimore	12.23	11.79	10.88	10.72	11.04	11.59	11.97	12.04	12.00	11.93	12.05	12.02	11.77
Birmingham	8.38	8.12	7.93	7.63	7.61	8.00	8.48	8.71	8.64	8.61	8.54	8.57	8.49
Boston	11.16	10.44	10.12	10.40	11.59	12.68	13.17	13.46	12.79	12.17	11.55	11.68	11.45
Chicago	11.79	11.49	10.88	10.92	11.04	11.04	11.15	11.35	11.66	11.85	12.26	12.14	11.78
Cincinnati	10.30	9.93	9.57	9.72	10.10	10.78	11.24	11.40	11.28	11.26	11.36	11.47	11.23
Cleveland	9.84	9.14	8.26	8.22	8.49	8.88	9.99	10.54	10.80	10.40	10.49	10.77	10.70
Columbus	9.22	8.40	8.06	7.56	7.52	8.06	8.89	9.34	9.11	9.07	9.38	9.94	9.86
Denver	10.14	9.76	9.24	9.40	9.60	10.06	10.65	10.95	10.90	10.87	11.02	11.24	11.06
Detroit	10.37	10.36	10.00	9.65	9.45	9.73	10.22	10.87	10.86	10.49	10.40	10.70	11.06
Houston	8.66	8.13	7.20	7.39	7.54	7.70	7.77	7.91	7.78	8.00	8.29	8.59	8.82
Kansas City	7.05	6.65	6.24	6.18	6.36	6.52	6.67	6.73	6.77	6.88	7.00	7.11	6.98
Los Angeles	11.18	11.28	10.85	10.43	11.11	11.27	11.23	11.17	11.31	11.87	12.31	12.79	12.82
Milwaukee	9.83	9.91	9.70	9.56	9.63	9.87	10.10	10.09	10.00	9.88	9.95	10.02	10.18
Minneapolis	8.81	8.21	8.31	8.06	8.48	8.78	8.81	8.76	8.82	9.18	9.29	9.59	9.56
New Orleans	8.21	7.52	7.54	8.01	8.48	8.48	8.55	8.53	8.45	8.41	8.49	8.53	8.32
New York	17.13	17.18	17.24	17.10	17.85	18.69	18.92	18.30	17.83	17.58	17.56	17.40	17.40
Omaha	10.18	10.45	10.17	9.87	10.13	10.32	10.40	10.43	10.47	10.54	10.21	10.00	9.59
Philadelphia	14.22	13.79	13.55	13.24	13.40	13.63	13.37	13.24	13.16	13.20	13.23	13.08	13.37
Pittsburgh	10.21	9.91	9.24	8.91	9.02	9.35	9.56	9.70	9.77	9.91	10.51	10.96	10.98
Richmond	9.99	10.23	9.89	9.62	9.66	10.03	10.07	9.96	9.87	9.70	9.69	9.41	9.84
Saint Louis	9.07	9.19	9.19	9.22	9.41	9.76	9.81	9.81	9.74	9.79	9.94	10.17	10.44
Salt Lake City	8.99	9.08	8.92	9.01	9.06	9.22	9.38	9.68	9.74	9.91	9.70	9.50	9.16
San Francisco	10.78	10.67	10.52	10.50	10.82	10.90	11.33	11.41	11.82	11.83	12.01	11.93	11.70
Seattle	10.05	9.69	9.51	9.65	10.06	10.21	10.58	10.48	10.52	10.23	10.37	10.53	10.49

*Preliminary

REAL ESTATE TRANSFERS
MANHATTAN ISLAND
1875-1936
COPYRIGHT 1936 - REAL ESTATE ANALYSTS, INC. - SAINT LOUIS

FLUCTUATIONS IN THE NUMBER
OF VOLUNTARY TRANSFERS OF
REAL ESTATE

FLUCTUATIONS IN THE NUMBER OF
TRANSFERS UNDER FORECLOSURE
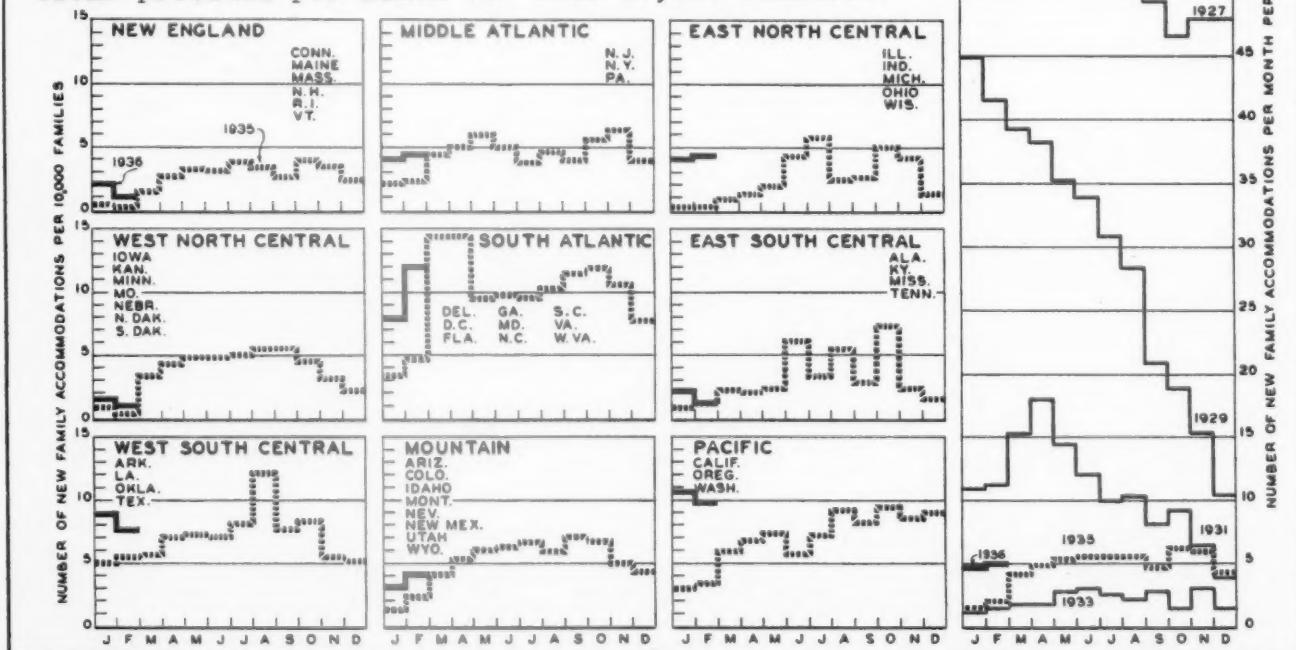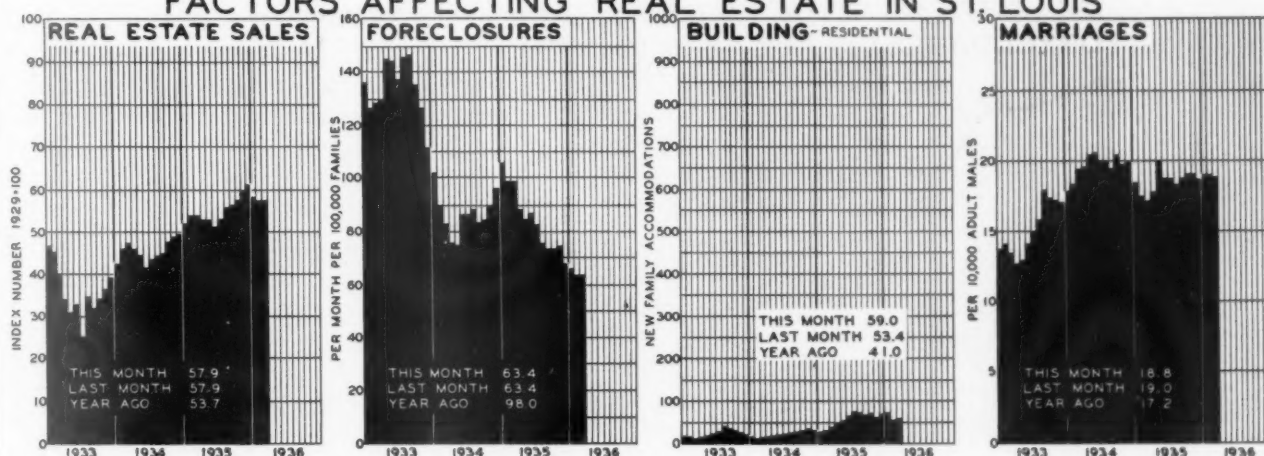
THE chart above shows our preliminary figures for Manhattan Island from 1875 to the present. There was a real estate boom in the late sixties and the earlier seventies. By 1875, the first year on this chart, real estate was well in the great depression of 1873. The greater height of the earlier booms was due to the fact that during these periods Manhattan Island had not yet reached its maximum population. More parcels of property change hands in a growing community than in a stabilized one.

RESIDENTIAL BUILDING BY REGIONS

THE charts below show the monthly volume of residential building in various regions by months for 1935 and two months of 1936. The tall chart at the right is drawn to the same scale as the smaller charts and compares the present volume of building in the United States with the volume for a number of past years. In each chart the volume of new building is expressed as the number of new family accommodations provided per month for each 10,000 families.

FACTORS AFFECTING REAL ESTATE IN ST. LOUIS

REAL ESTATE SALES
THIS MONTH 57.9
LAST MONTH 57.9
YEAR AGO 53.7

FORECLOSURES
THIS MONTH 63.4
LAST MONTH 63.4
YEAR AGO 98.0

BUILDING—RESIDENTIAL
THIS MONTH 59.0
LAST MONTH 53.4
YEAR AGO 41.0

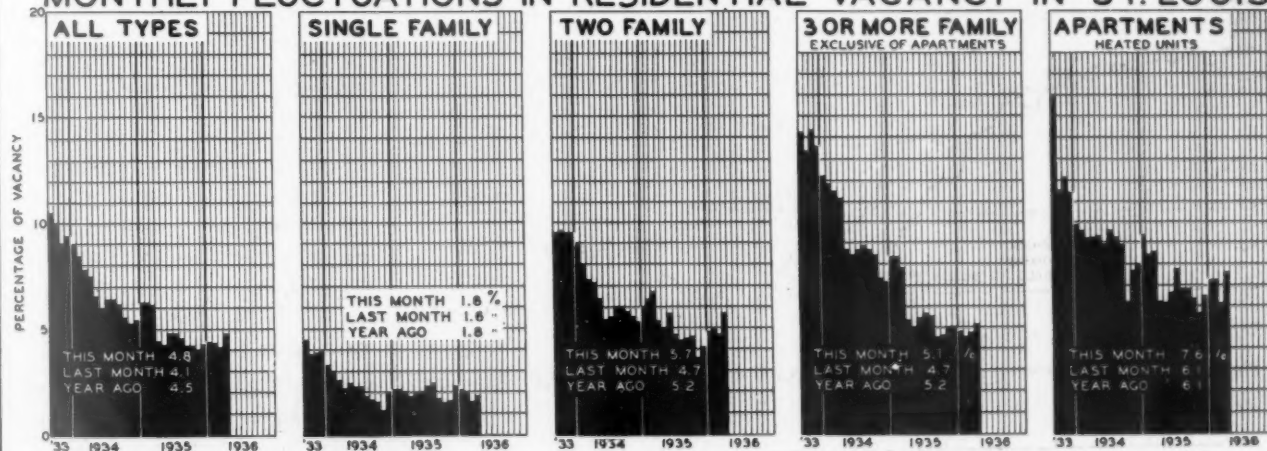**MARRIAGES**
THIS MONTH 18.8
LAST MONTH 19.0
YEAR AGO 17.2

R EAL Estate Analysts, Inc., has always made an intensive study of Greater Saint Louis on the assumption that an exhaustive, precise study over a long period of years of all factors affecting real estate in a single representative community is often of greater value in determining the sequence of events in collapse and recovery than is a more general study of the entire country. In addition to the charts on this page, other Saint Louis figures are shown on pages 542 and 543.
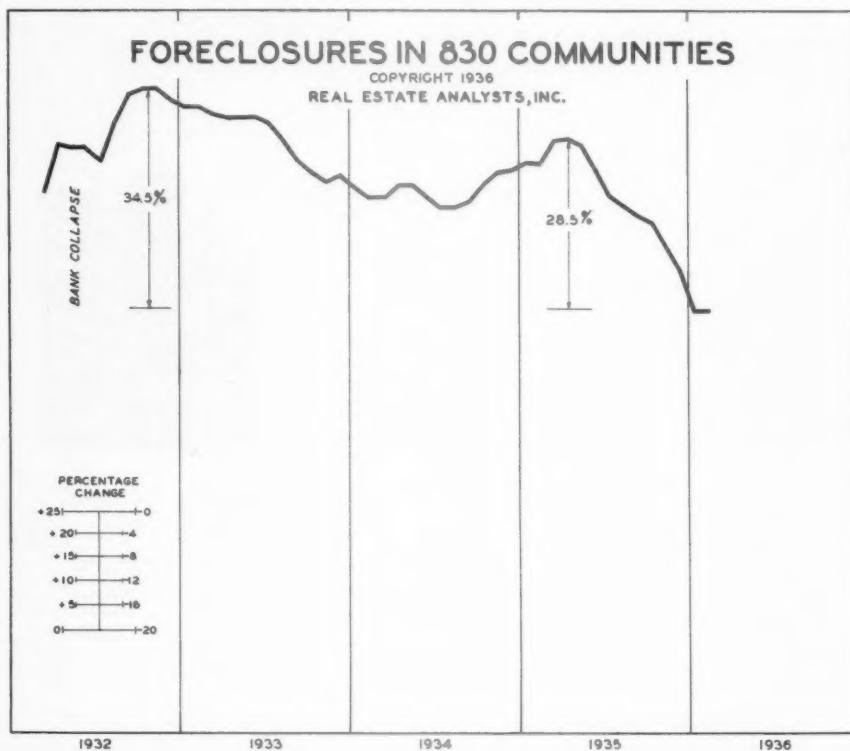
Total residential vacancy in St. Louis increased during the past month by more than 700 units—from 4.5% on March 17 to 4.8% on April 7. All types of units experienced the increase. Apartments showed the largest increase; and single family residences, the smallest. We believe that the increase in vacancy is probably largely seasonal.

The number of vacant residential units for November, 1932, and for April of the last three years is shown in the following table:

Date	Number of Vacancies	Percentage of Vacancy
November, 1932	28,207	12.8
April, 1934	16,650	7.4
April, 1935	9,930	4.5
April, 1936	10,700	4.8

MONTHLY FLUCTUATIONS IN RESIDENTIAL VACANCY IN ST. LOUIS

ALL TYPES
THIS MONTH 4.8
LAST MONTH 4.1
YEAR AGO 4.5

SINGLE FAMILY
THIS MONTH 1.8 %
LAST MONTH 1.6 "
YEAR AGO 1.8 "

TWO FAMILY
THIS MONTH 5.7
LAST MONTH 4.7
YEAR AGO 5.2

3 OR MORE FAMILY
EXCLUSIVE OF APARTMENTS
THIS MONTH 5.1
LAST MONTH 4.7
YEAR AGO 5.2

APARTMENTS
HEATED UNITS
THIS MONTH 7.6
LAST MONTH 6.1
YEAR AGO 6.1

FORECLOSURES IN 830 COMMUNITIES

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REAL ESTATE ANALYSTS, INC.

BANK COLLAPSE

34.5%

28.5%

PERCENTAGE
CHANGE

+25 — 0
+20 — 4
+15 — 8
+10 — 12
+5 — 16
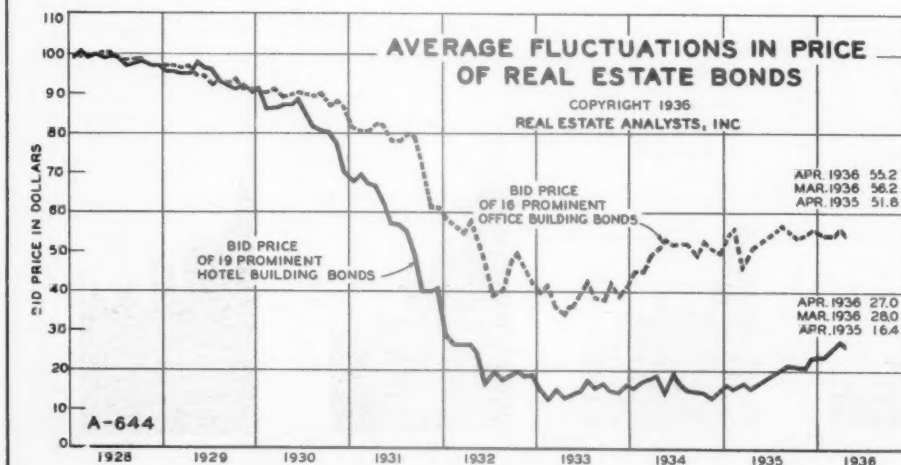0 — 20

1932   1933   1934   1935   1936

THE chart to the left shows the monthly fluctuations in eight hundred and thirty rural and urban communities scattered throughout the United States. Foreclosures are now 34.5 per cent below the peak in 1932 and 28.5 per cent below the 1935 peak. During the last month there was no decrease in foreclosures after seasonal correction, due, we believe, to increased activity on the part of the Home Owners' Loan Corporation on delinquent loans.

NEW INVESTMENTS OF 47 LIFE INSURANCE COMPANIES IN URBAN AND FARM MORTGAGES

REAL ESTATE ANALYSTS, INC.
ST. LOUIS

PERCENTAGE OF ALL NEW INVESTMENTS

URBAN

FARM

	URBAN	FARM
MAR. 1936	6.3	1.5
FEB. 1936	10.9	2.1
MAR. 1935	3.6	1.5

1928 1929 1930 1931 1932 1933 1934 1935 1936
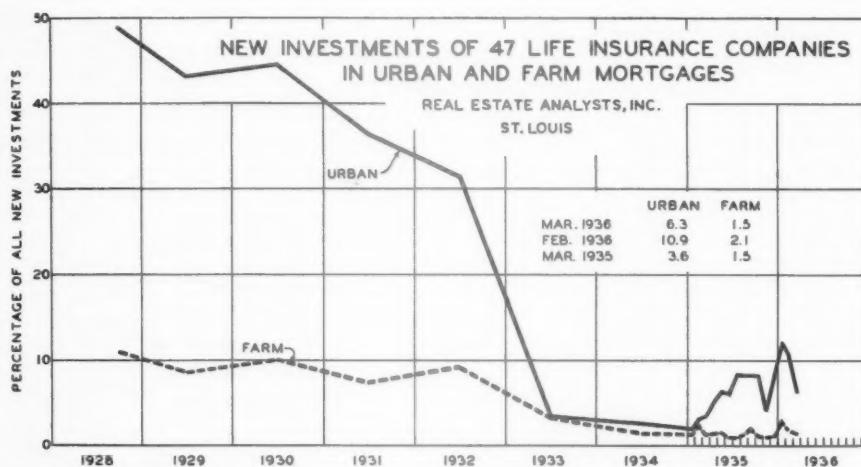
THE chart to the left shows the percentage of all new investments each month invested in urban and farm mortgages by forty-seven life insurance companies. Urban mortgages are slowly coming back into favor. There is no decided trend regarding farm mortgages.

AVERAGE FLUCTUATIONS IN PRICE OF REAL ESTATE BONDS

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BID PRICE IN DOLLARS

BID PRICE
OF 18 PROMINENT
OFFICE BUILDING BONDS

BID PRICE
OF 19 PROMINENT
HOTEL BUILDING BONDS

APR. 1936 55.2
MAR. 1936 56.2
APR. 1935 51.8

APR. 1936 27.0
MAR. 1936 28.0
APR. 1935 16.4

A-644

1928 1929 1930 1931 1932 1933 1934 1935 1936

THE chart to the left shows the fluctuations in the bid prices of real estate bonds. There has been a pronounced trend upward in hotel bonds during the past year and a half. Very little recent trend is noticeable in the office building bond line.